

Members of the Board

Around August 26, I became aware that Assistant Commissioner Amy Demboski was contacting Chair Klein and Chair Springer to ask that each board hold an executive session to discuss personnel issues. As the boards have personnel authority only over me, it was clear that the administration was requesting that the boards remove me as director. As expected, during my agenda review meeting with Chair Klein on August 29, he asked me to put an executive session for personnel issues on the end of the agenda for the September 10 ABC meeting. He told me that part of the reason he wanted an executive session was to talk to the other ABC board members about Bruce Schulte. After our agenda review meeting, I emailed Mr. Klein to ask him if I should I inform Mr. Schulte about the executive session, in order to comply with requirements of the APA that allows an individual to request a public discussion. I also asked him if there were any other personnel who needed to be notified under the APA. He responded, "It is not my intent to discuss personnel, but I appreciate the heads up." Upon expressing my confusion because he had requested an executive session for "personnel issues," Mr. Klein responded, "We'll be fine. Thanks for worrying." At the September 10 meeting, after a motion was made to go into executive session with me, and after I requested a public discussion, Chair Klein inexplicably continued to attempt to mislead me by asking me "why do you think this is about you?" Mr. Brady immediately confirmed it was.

Rex Leath who serves as the public safety member on the ABC Board, made accusations against Chief Hoelscher regarding AMCO's ORI number and against myself for improper supervision. Mr. Leath said he came across the information about the ORI number just that day and in the normal course of business. He also told me that attempting improper access to criminal justice information was a criminal act, which very much felt like a threat. As you know, the ABC board gave me time to talk to Chief Hoelscher about the situation and did not take any action regarding my employment on September 10.

Immediately after the Nome board meetings, on Monday September 16, Ms. Milks called to inform me that she had been reassigned and would no longer be serving as counsel for the ABC and MCB. No reason was given to her but she was told that it came from the top. I found this very alarming, and I immediately wrote to Ms. Milks' supervisor, the Attorney General, the Deputy Attorney General, the Attorney General's chief of staff, and the head of the Civil Division in the Department of Law, asking why they reassigned Harriet. I have not received any response. Why did the administration reassign Ms. Milks? She had been counsel to the ABC Board for over seven years and counsel to the MCB for the whole of its existence. Nobody in the state is more knowledgeable about alcohol and marijuana laws. She had done nothing wrong in advising the ABC board on how to follow the open meetings act. There has yet to be any explanation from the administration for this action.

The allegations made by Mr. Leath were shown to be baseless—the ABC Board stated they were satisfied with my explanation. At the October 3 special ABC meeting, Mr. Leath stated he couldn't remember when the ORI issue came to his attention, but he had found out about it by overhearing talk in the hallway. I find it highly inappropriate that a board member would use hallway gossip to make accusations at a board meeting rather than just picking up the phone to call to me—the only conclusion that makes sense to me is that the ABC Board was looking for a reason to fire me. So even though Mr. Leath's accusations came to nothing, the ABC board made a motion to remove me, concluding that I had lost the board's confidence, a disconnect between the board's desires and how I approach my position, and a lack of confidence that the board's will is being enacted. In addition, Mr. Brady blamed the action of Commissioner Price in refusing to communicate with me on my personality. At no time has the board suggested to me that I was not acting in the board's interest or was incapable of enacting the board's will. At no time during my many meetings with Chair Klein has he raised this as an issue with me or indicated to me that the board had any concerns with my work or how I approach my position. In fact, Mr. Klein stated on the record that their action was “not a denigration” of my “job performance!” However, all five board members agreed with the motion, as shown by their unanimous vote, even though there was no discussion of the board's will or how they determined that I would not enact the board's will, and two of the five members didn't even have any comments during the two minutes of discussion on the motion. It was abundantly clear to me that the board had previously coordinated their decision to remove me—as this had not occurred in a public meeting or in an executive session of which I was notified, this was a violation of the open meetings act.

And now, three of the five of you have voted to remove me.

Neither board has expressed dissatisfaction with my performance prior to the vote of dismissal. Neither board has made “reasonable efforts of temporary duration for correction in inadequate performance” as set forth in the State Personnel Act. Neither board has indicated to me that I have not followed their direction. This shows that you are not acting in good faith with me. An employment relationship is based on good faith and those of you who have voted to remove me without actually finding that I've done anything wrong or providing me with an opportunity to correct any issues you have with me should be ashamed of yourselves. Public servants with integrity like Ms. Milks and me and the AMCO staff should be respected and appreciated, and instead we've been treated like dirt. These facts also give additional weight to the suspicion that the drive to remove me initiates in the administration. Ms. Demboski calls the chairs in August and the ABC Board sets an executive session and trumps up false accusations against me and my staff. Ms. Milks is reassigned by the administration and no reason is provided. Then the ABC Board fires me in bad faith. The Supreme Court, in *Sabre Jet Room vs Boehl*, has ruled that under the state constitution, the legislature created the ABC Board and gave the board full powers and duties to regulate alcohol. The court ruled that the regulatory agency is not under the authority

of the executive. Any interference by the administration, including the Governor's Office, the Commissioner of the Department of Public Safety or her staff, or the Commissioner of Commerce or her staff, is "an unconstitutional encroachment upon entities falling squarely within the legislature's domain."

But the deed is done and I walk away with my head held high. This is a very very challenging job. Alcohol and marijuana are substances that have profound effects on Alaskan citizens and communities. Implementation and enforcement of the statutes and regulations should not be assigned to a political crony of the governor. There is no such thing as a perfect AMCO director, and certainly I don't claim to have been one. All I have done is my very best to uphold the laws of this state, and if that is not the board's will, then I really question the motives of the boards. I have worked hard, supported by amazing staff but without adequate resources, in the face of vitriol and slander sufficient to distress even the most stoic person. Perhaps you and the ABC Board think that there is a deep pool of competent administrators who would step into this position, so tossing out an effective director is not a big deal. I believe you are wrong in this. Removing your director without cause, after stating on the record that my work ethic and job performance were appreciated, is not good government for the people of the state of Alaska.

I would like to thank Chair Springer, Mr. Jones, and the AMCO staff for your hard work and dedication. Best wishes for the remainder of the meeting.